```
P 131223Z JAN 09
FM USMISSION GENEVA
TO AMEMBASSY ACCRA PRIORITY
AMEMBASSY ADDIS ABABA PRIORITY
AMEMBASSY AMMAN PRIORITY
AMEMBASSY BAGHDAD PRIORITY
AMEMBASSY BANGKOK PRIORITY
AMEMBASSY BOGOTA PRIORITY
AMEMBASSY KABUL PRIORITY
AMEMBASSY KAMPALA PRIORITY
AMEMBASSY KATHMANDU PRIORITY
AMEMBASSY MOSCOW PRIORITY
AMEMBASSY NAIROBI PRIORITY
AMEMBASSY NDJAMENA PRIORITY
AMEMBASSY PARIS PRIORITY
AMEMBASSY VIENNA PRIORITY
AMCONSUL HO CHI MINH CITY PRIORITY
AMCONSUL JERUSALEM PRIORITY
USINT HAVANA PRIORITY
USEU BRUSSELS PRIORITY
USMISSION UN ROME PRIORITY
SECSTATE WASHDC PRIORITY 7844
USMISSION UNVIE VIENNA PRIORITY
USMISSION USUN NEW YORK PRIORITY
```

UNCLAS GENEVA 000016


TO REFCOORDS

E.O. 12958: N/A
TAGS: PHUM PREF PREL
SUBJECT: UNHCR REFORM EFFORTS CULMINATE INTO A NEW WAY OF
DOING BUSINESS

REF: A. 09 GENEVA 9
¶B. 08 GENEVA 1053

¶1. (U) SUMMARY. The UN High Commission for Refugees (UNHCR)
is fundamentally reshaping every aspect of its work to become
a streamlined, efficient organization that delivers more
robust protection and assistance to its beneficiaries on the
ground. UNHCR's new approach harnesses technological
advances and involves assessing the full extent of
beneficiary needs, shifting to results-based management,
adopting a new budget structure, improving UNHCR staff
capacity, and modifying UNHCR's organizational structure.
UNHCR is also continuing the process of outposting positions
to its Global Service Center in Budapest; 216 headquarters
posts were eliminated in 2008 and another 81 positions will
be eliminated in 2009, bringing UNHCR's Geneva footprint down
to 753 from 1,050 two years ago. The impact of all these
adjustments could be reduced, however, by lower projected
income due to the global financial crisis. As a result,
UNHCR is asking its field representatives to conduct more
fundraising in the field. Combined with the administrative
changes taking place under the UN Transparency and
Accountability Initiative (Ref A), UNHCR is on track to
become more transparent and accountable to donors like the
USG. END SUMMARY.


----------
Out with the Old, and In with the New
----------

¶2. (U) 2009 is the last year UNHCR will do "business as
usual." UNHCR's "2009 Global Appeal Update" provides a basic
outlook for its operations targeting 32 million refugees,
asylum seekers, stateless people, and internally displaced
people around the world. It outlines UNHCR's six Global
Strategic Objectives, focusing on: 1) protection; 2) capacity
building of national governments; 3) durable solutions; 4)
partnerships; 5) external relations; and 6) strengthening
UNHCR as an agency. In 2009, UNHCR is appealing for $1.257
billion for its Annual Budget and an initial $682 million for
its Supplemental Budget.

¶3. (U) Looking ahead to 2010 and beyond, UNHCR managers are

harnessing technological advances and embarking on a series
of initiatives that look at the full extent of beneficiary
needs (through a Global Needs Assessment), improve UNHCR
staff capacity, modify UNHCR's organizational structure,
shift to results-based management, and delegate some
fundraising activities to the field. UNHCR's most notable
technological application is the introduction of "FOCUS," its
new results-based management software. Up to now, UNHCR's
Country Operations Plans (COPs), budgets, staffing plans, and
progress reports have all been drawn up separately and in
different documents, making it difficult to get a coherent
picture of resources and results. This problem should be
eliminated when all elements are brought together with FOCUS.
FOCUS simplifies reporting and allows for better information
sharing, budgeting, monitoring, and analysis. It links
UNHCR's assessments, objectives, activities, and resources
(including financial, material and human resources) to
results. In January 2009 UNHCR plans to launch the interface
between FOCUS and its MSRP (Management Systems Renewal
Project) operating system, which has already been used to
update the organization's finance and supply chain practices
and improved accountability. UNHCR staff were trained on the
use of FOCUS throughout 2008. FOCUS will be used by UNHCR
teams in the field and at headquarters to submit their
2010-2011 operations plans by March 31, 2009. (COMMENT:
UNHCR's FOCUS software will only be useful if complete and
accurate information is regularly uploaded and analyzed. It
may not meet the many and varied reporting, monitoring and
funding needs of the organization. END COMMENT.)

----------
Aiming for Results
----------

¶4. (U) UNHCR's new "Results Framework" is imbedded into the
FOCUS software and forces planners to align their plans with
UNHCR's goals and desired impacts. This Results Framework
replaces UNHCR's current Global Strategic Objectives (noted
above) and tracks ten "goals" in the areas of: 1) emergency
response; 2) protection pending durable solutions (a.k.a.
care and maintenance); 3) protection and mixed solutions
(multi-faceted protection, including assistance and durable
solutions for populations of concern); 4) voluntary return;
5) reintegration; 6) integration; 7) resettlement; 8)
capacity building; 9) advocacy; and 10) resource
mobilization. FOCUS software asks planners to track specific
outputs that will lead to the following: favorable protection
environments; fair protection processes and documentation;
security from violence; the provision of basic needs and
essential services; community participation and
self-management; durable solutions; strong external
relationships; and effective headquarters, regional, and
operational support. This Results Framework will be helpful
in ensuring that UNHCR focuses its limited resources on its
core mandate and on the real needs of their populations of
concern.

----------
Needs-Based vs. Resource-Based Planning
----------

¶5. (U) When seeking voluntary contributions, UNHCR has
traditionally crafted its budget appeals to donors to match
the amount of money it expected to receive from them (rather
than requesting all the funds it believed UNHCR needed).
This approach is also changing. On December 22, 2008, UNHCR
headquarters issued guidelines to all of its regional and
field offices instructing them to conduct Global Needs
Assessments (GNAs) for the 2010-2011 budget cycle. This new
GNA methodology involves comprehensively assessing the total
needs of UNHCR's beneficiaries, planning activities and
budgets to meet all these needs, and asking donors for the
full amount of money needed. In 2008, UNHCR launched a GNA
pilot program in eight countries (Cameroon, Ecuador, Georgia,
Rwanda, Tanzania, Thailand, Yemen, and Zambia). The unmet
needs discovered during these assessments resulted in UNHCR's
request for an additional $63.5 million in 2009. If we
extrapolate these results, we can expect UNHCR's budget for

2010 to be significantly greater than its budget in 2009.
(COMMENT: UNHCR's GNA initiative may yield inconsistent
results at first (depending upon the operation and the
region). Also, the scale of unmet needs identified might
surpass UNHCR's ability to implement programs addressing all
of them, even if it received the funding. To address these
problems, UNHCR headquarters will need to ensure consistency
across regions and enforce its prioritization criteria (see
para 7). END COMMENT.)

----------
A New Budget Structure
----------

¶6. (U) For years UNHCR's planning system was based upon
populations of concern, but its budget structure was not. A
new UNHCR budget structure was formally approved in 2008 by
the UNHCR Executive Committee to address this gap. It
consists of four distinct pillars: 1) Global Refugee
Programs; 2) Global Stateless Programs; 3) Global
Reintegration Projects; and 4) Global Projects for Internally
Displaced Persons (IDPs). Activities that support refugees
and stateless persons ) beneficiaries who explicitly fall
under UNHCR's core mandate ) will be funded on the basis of
"program funding" (as is currently the case with the Annual
Budget). Donors can support refugee and stateless programs
by contributing earmarked and unearmarked funds to a single
program fund that is prioritized by UNHCR. Activities that
support reintegration and IDPs would operate on the basis of
"project" funding (as is currently the case with
Supplementary Budgets). Each project is separately funded
and managed, and funded only when donors explicitly
contribute to them. The new budget structure will also be
linked to the Results Framework, allowing UNHCR to
demonstrate how the costs of its activities can be directly
linked to results. UNHCR should, for example, be able to
illustrate the direct consequences to refugees and others of
concern when it does not receive requested funds. (COMMENT.
UNHCR is still unsure how it will distinguish between the
activities budgeted under the Refugee Pillar 1 and the
activities under the Reintegration Pillar 3. In addition to
seeking clarity on this issue, we have also expressed
concerns to UNHCR that the new structure could
unintentionally de-prioritize reintegration and IDP
activities and encourage donor earmarking for these
activities. END COMMENT.)

----------
Feeling the Pinch: The Impact of the Global Financial Crisis
----------

¶7. (U) At the same time UNHCR is embarking on an initiative
to address the total needs of its beneficiaries, it is
concerned that donors, hampered by the global financial
crisis, will have difficulty maintaining current levels of
contributions, let alone be able to respond to the
significant new financial requirements uncovered by the GNA.
Therefore, in addition to "comprehensive plans" for 2010 and
2011 based on Global Needs Assessments, field operations are
required to prepare "prioritized plans" for 2010 based upon
headquarters-issued income estimates. At the beginning of
2010, field operations will only be authorized to spend funds
budgeted in the prioritized plans' budget sections for Pillar
1 (refugees) and Pillar 2 (stateless persons); funds for
Pillar 3 (reintegration) and Pillar 4 (IDPs) will only be
authorized after contributions are assured. UNHCR
Headquarters' Division for Donor Relations and Resource
Management (DRRM) has traditionally done most - if not all -
of UNHCR's fundraising. Given today's difficult financial
climate, DRRM has drafted a 2009 Integrated Resource
Mobilization Strategy that tasks field staff to solicit funds
from traditional donors, pooled humanitarian funds,
development and transition funds, and the private sector in
the field.

----------
Investing in UNHCR's Key Asset: Staff
----------

¶8. (U) UNHCR staff's job descriptions and employee evaluation reviews will now be linked to the organization's new Results Framework. UNHCR managers are currently reviewing rotation, posting and promotion policies to see how UNHCR can improve the retention of UNHCR professional staff, including those who are unable to work in the deep field when they have small children. This could involve increasing secondment opportunities to other UN agencies, but it must also address the current lack of a mechanism to re-absorb secondees. UNHCR managers hope that progress in the area of retention will lead to greater gender parity within the organization. On the training front, in April and May 2009 UNHCR will begin consolidating its seven existing training programs into a new Global Learning Center. Negotiations are underway for this Center to be located in the first two floors of UNHCR's Global Services Center building in Budapest. Training will especially target new UNHCR managers and Staff-In-Between-Assignments (SIBAs). Staff training will be linked to career development. For example, UNHCR staff will not be able to receive postings or promotions until they have successfully completed UNHCR's standard protection training. In addition to on-site training, UNHCR will provide more online training opportunities to benefit more people posted in the deep field.

----------
Trimming the Fat: Right-sizing, Regionalizing and Restructuring
----------

¶9. (U) Almost one-third of UNHCR's international professional staff is based at its headquarters in Geneva. This is an anomaly for a field-based organization like UNHCR. In 2006 UNHCR launched a change process involving decentralization, right-sizing, regionalization, and restructuring to grapple with the task of slimming down headquarters in a way that brings staff closer to the beneficiaries in the field and saves money. Some positions were outposted to UNHCR's Global Services Center in Budapest. In 2008 alone, UNHCR eliminated 216 headquarters posts (119 general service posts and 97 professional posts). In July 2008 UNHCR hired IBM to recommend ways to streamline its human resource administration; the Canadian Consultancy Management Initiative (CCMI) subsequently funded a similar review of UNHCR,s Division of Information Services and Telecommunications (DIST). The results of these reviews should be delivered to UNHCR in January 2009. With the results of these reviews, efficiencies gained from the introduction of FOCUS software, outposting of training functions to Budapest, and regionalizing some headquarters positions, UNHCR hopes to eliminate another 81 headquarters posts (44 general service posts and 37 professional posts) in ¶2009.

¶10. (U) In August 2008, UNHCR issued a general "Terms of Reference for Regional Offices" to guide its regionalization process and transfer authorities to the regions. In Africa, UNHCR's regional office in Pretoria took on an expanded role in 2008; Dakar and Kinshasa will follow suit in 2009. In the Americas, a regional office headed by a Bureau Deputy Director will be established in Panama (reporting to UNHCR's Americas Bureau Director based in Geneva). In Asia, Almaty and Bangkok assumed increased regional authorities. The Director of the Bureau for Europe will be based in Brussels in 2009, leaving a Deputy Director in Geneva. UNHCR is currently in discussions with the Government of Tunisia to establish an office in Tunis to become the regional office for North Africa.

¶11. (U) In October 2008, UNHCR established a task force to restructure UNHCR's Division for International Protection Services (DIPS), Division for Operational Support (DOS), and the Policy Development and Evaluation Service (PDES). Currently the division of labor between these entities is poorly defined. The task force is seeking to clarify roles and consolidate some functions that are dispersed among the divisions. Each unit is drafting their proposed new

structure for the task force's review. One idea is to create three new "Pillars": 1) policy development and advice; 2) protection-based programming and advice; and 3) rapid response capacity. A decision should be made by the end of January 2009. (COMMENT: UNHCR is currently finalizing its Global Accountability Framework, which spells out the roles and responsibilities of UNHCR headquarters vs. regional offices vs. country operations. We have pressed UNHCR headquarters to retain its robust policy-making role. We have also encouraged UNHCR to establish a monitoring and evaluation unit to ensure consistent performance across regions. Finally, the USG has asked that refugee resettlement, which is currently handled by DIPS, maintain its prominence within the new structure. END COMMENT.)

----------
COMMENT: Looking Ahead
----------

¶12. (U) As UNHCR's largest donor and a major proponent of UN reform, the USG has a stake in seeing UNHCR's transformational efforts succeed. Refugees, stateless persons, IDPs and returnees also have much to potentially gain. That said, we are concerned that UNHCR might be biting off more than it can chew with such an ambitious reform agenda. Mission Geneva will continue to encourage measured UNHCR progress, including during the 2009 USG-UNHCR Framework negotiations and upcoming Donor Missions to the Field. RefCoords are encouraged to monitor and observe how these reforms are impacting upon UNHCR's performance on the ground, including by participating (when appropriate) in UNHCR's Comprehensive Operations Planning meetings. For further information on UNHCR reform efforts, please see our report on the December 1, 2008, USG-UNHCR End of Year Consultation (Ref B) and Ref A's update on UNHCR's progress under the UN Transparency and Accountability Initiative (UNTAI). Ref B notes that UNHCR's most important recent achievement under the UNTAI framework offured in September 2008 when UNHCR's established a fully independent ethics office responsible for whisteblower and financial disclosure programs. UNHCR's 2009 Appeal Update is available on the internet at http://www.unhcr.org/ga09/launch.html. Information on its Global Needs Assessment, including the results of the 2008 pilot GNA assessments in Cameroon, Ecuador, Georgia, Rwanda, Tanzania, Thailand, Yemen, and Zambia can be found at www.unhcr.org/cgi-bin/texis/vtx/GNA?page=home . For a copy of UNHCR's Results Framework or GNA instructions to the field, contact RMA Attache Melissa Pitotti at PitottiMR@state.gov.


TICHENOR